Testimony of Michael A. Gobb, A.A.E.

Before the

United States House of Representatives

Committee on Transportation and Infrastructure

Subcommittee on Aviation

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Introductory Remarks

Mr. Chairman and distinguished Committee members, thank you for the opportunity to share the experience Blue Grass Airport has had with the design, installation and operation of one of the nation's few true in-line checked baggage screening systems.

My name is Michael Gobb. I serve as the Executive Director of Blue Grass Airport which is operated by the Lexington-Fayette Urban County Airport Board. Blue Grass Airport (LEX), a small hub airport located in Lexington, Kentucky, is the primary air transportation link for 40 counties in Central, Eastern and Southern Kentucky. The airport is served by five major airline brands offering over 100 daily flights to 13 hub airports in the United States. In 2003, Blue Grass Airport served over 1.1 million passengers and was ranked as the fifth fastest growing airport in the nation.

Background

In early 2002 Blue Grass Airport (Airport) began design/concept development for a system to comply with the Congressional mandate that 100 % of checked passenger baggage be screened prior to being placed aboard scheduled airline passenger aircraft. In the second quarter of 2002 Boeing, a contractor to TSA, began work separately to identify a system to be recommended to TSA as the most practicable solution to bring Lexington into compliance with the congressional mandate. Design for both systems was completed in parallel.

Boeing's final candidate system was an in lobby installation and is depicted in Exhibit 1. Concurrently, Blue Grass Airport advertised and received proposals for a design/build project to install the Airport's recommended in-line system as depicted in Exhibit 2. Ultimately, with assurances from the Airport that the system would be installed and operational prior to the mandated deadline, TSA approved the installation of the in-line baggage screening system.

Lobby Installation (Exhibit 1)

This solution utilized a combination of Electronic Detection System (EDS) and Electronic Trace Detection (ETD) to be located in the airport ticket lobby. Nine ETD machines were to be located adjacent to the airline ticket counters. One CTX-2500 EDS/ETD station would be located adjacent to the airport's largest airline (Delta Air Lines).

Positive Attributes:

- Ease of installation
- Ability to meet installation deadline

Negative Attributes:

- Impact on customer flow in terminal ticketing lobby
- Increased time to process customer
- Inadequate queue space in terminal lobby
- Personnel cost to operate the system
- Difficult to upgrade system without further negative impact on customer and airline operations

In-Line Installation (Exhibit 2)

This solution placed the baggage screening technology in line with the existing airline conveyor systems. A common collector conveyor belt consolidates all airline checked baggage and delivers that baggage to the EDS/TSA consolidated screening location. All baggage collection and screening takes place after the passenger has checked in and without additional passenger queuing or attention to checked baggage.

Positive Attributes:

- Reduced impact on airlines ticket counter operation
- Minimizes personnel cost to operate system
- No impact on customer flow or queue in terminal ticket lobby
- System upgradeable as demand increases

Negative Attributes:

- Aggressive construction schedule
- Impact on airline baggage processing operations during construction

Business Results

Through remarkable cooperation between our local Federal Security Director, Lanny Miller and his TSA team, the airlines, Messer Construction Company and the Blue Grass Airport team, our in-line system officially came on line December 31, 2002 as one of only five true in-line baggage screening systems in the country.

Tables 1, 2 and 3 provide a comparison between the system originally proposed by Boeing against the in-line system as it operates today. You will note the following:

The estimated cost to install an in-lobby system,	$1,150,000
The actual cost to install the in-line system was	$5,210,000
Difference in initial capital investment	**$4,060,000**
Estimated annual cost to operate in-lobby system	$3,728,201
Actual annual cost to operate in-line system	$ 632,601
Annual cost savings with in-line EDS	**$3,095,600**
Breakeven Period	**16 months**

Today Blue Grass Airport is operating a model in-line checked baggage screening system. Based upon personnel cost savings realized with the in-line system verses the in lobby system, we have already exceeded our system comparison breakeven point. In practice, TSA is currently saving in excess of $3 million each year because Congress proactively made the investment in the in-line solution for Blue Grass Airport.

Note: A copy of an article from Aviation Week and Space Technology, July 14, 2003 "Behind the Scenes", Model in-line baggage security system pays off with passengers, efficiency at Blue Grass Airport by James Ott that summarizes the process Blue Grass Airport went through and results achieved.

Exhibit #1 In-Lobby Baggage Screening System Proposal

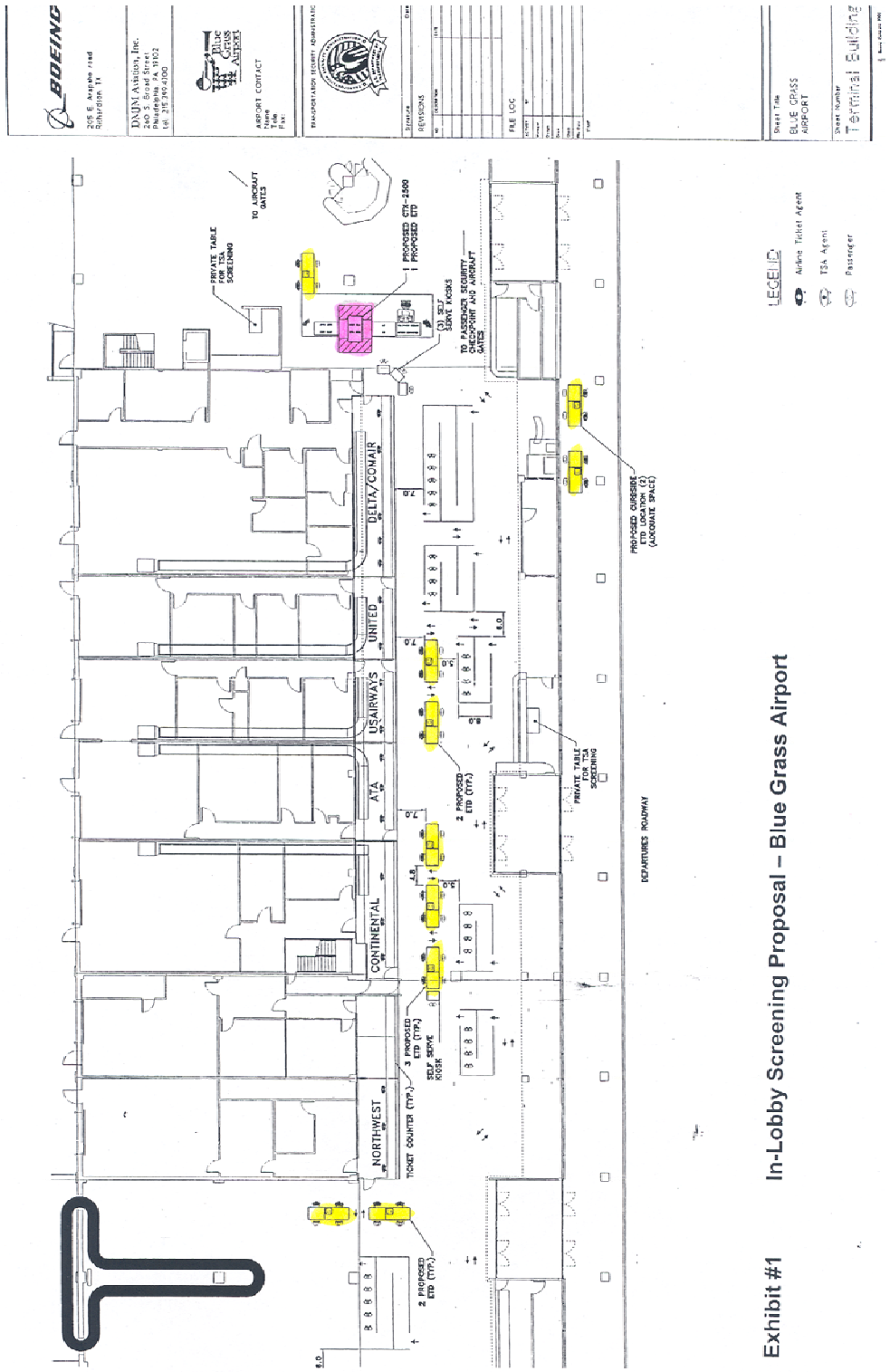

Exhibit #2 In-Line Baggage Screening System, Blue Grass Airport

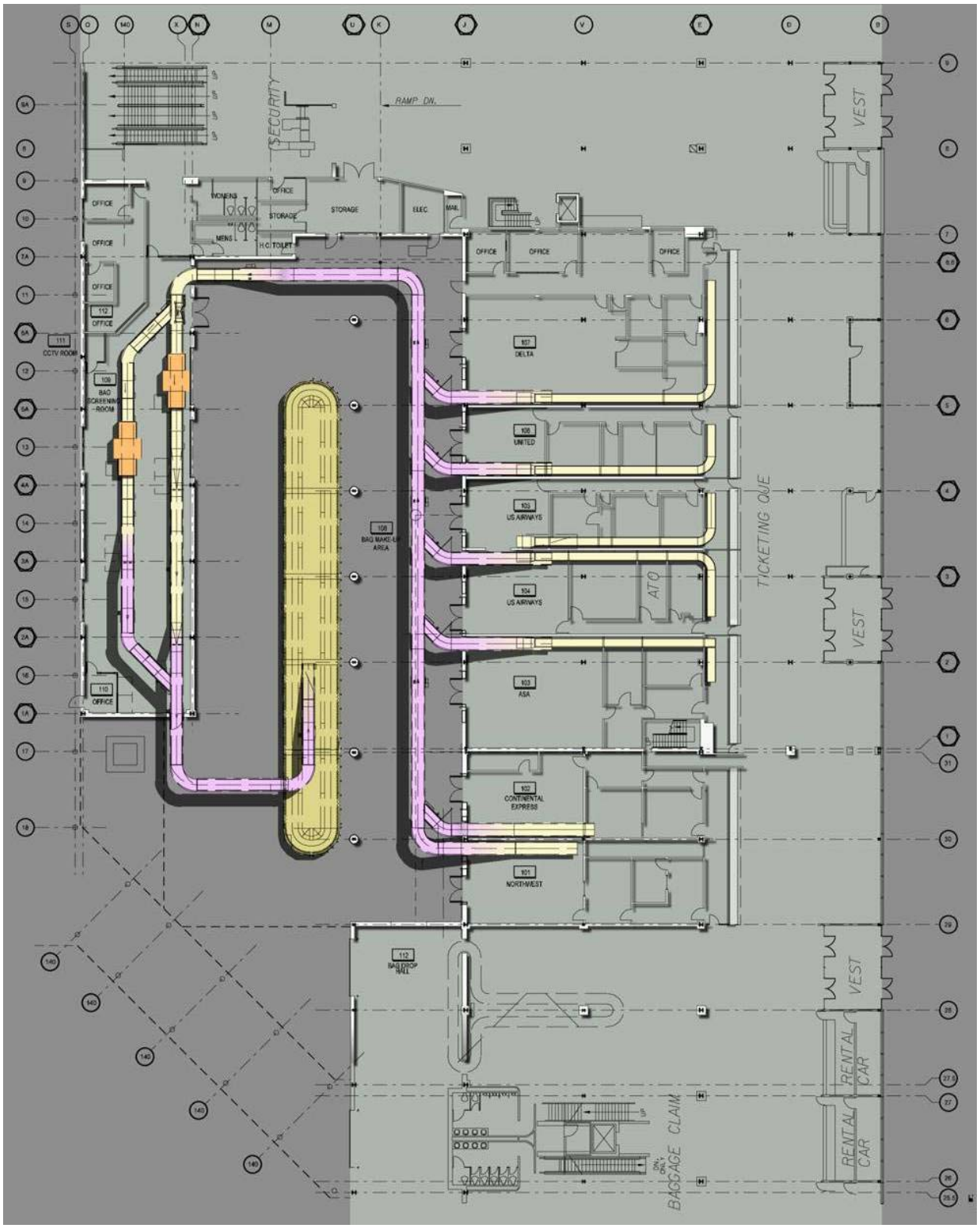

Table 1

	Boeing Proposal[1]	In-Line[2]
ETD Capital Cost		
Number of ETD Machines	10	2
Equipment Cost per ETD	$40,000	$40,000
Total ETD Equipment Cost	$400,000	$80,000
Installation cost per ETD	$5,000	$5,000
Total Installation cost for ETD	$50,000	$10,000
Total Cost for ETD with Installation	**$450,000**	**$90,000**
EDS Capital Cost		
Number of EDS Machines	1 (CTX 2500)	2 (CTX 5500)
Equipment Cost per EDS	$600,000	$780,000
Total EDS Equipment Cost	$600,000	$1,560,000
Installation Cost	$100,000	$3,560,000[3]
Total Cost for EDS with Installation	$700,000	$5,120,000
Total Capital Cost with Installation	**$1,150,000**	**$5,210,000**

[1] *Boeing/DMJM Aviation, Inc. was contracted by TSA to complete inventory/modeling and recommend preferred system for Blue Grass Airport. Final Report filed with TSA on August 5, 2002.*
[2] *In-line column represents actual installation at Blue Grass Airport.*
[3] *AIP Grant 3-21-0028-33*

Table 2

	Boeing Proposal	In-Line
Maintenance Costs		
ETD @ 4% Equipment Cost	$17,600	$3,200
EDS @ 8% Equipment Cost	$77,000	$175,200
Total Annual Equipment Maintenance Cost	**$94,600**	**$178,400**

Table 3

	Boeing Proposal	In-Line
TSA Personnel Costs		
TSA Headcount (FTE) per day	56[4]	7
Man Hours per Day	448	56
Man Hours per Year	163,520	20,440
Additional Man Hours per year(Sick/Vacation)[5]	6,720	840
Total Man Hours	170,240	21,280
Screener Hourly Wage[6]	$13.34	$13.34
Total Base Screener Wage	$2,271,001	$283,875
Burden (Benefits, etc.) 30%	$681,300	$85,163
Overhead 30%	$681,300	$85,163
Total Annual TSA Personnel Cost	**$3,633,601**	**$454,201**

[4] *TSA standard of five FTE per ETD station per day.*
[5] *Sick/Vacation time calculated at two weeks vacation and one week time per year per FTE.*
[6] *Screener hourly wage provided by LEX FSD as starting wage for screener.*